

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**Division of Housing Policy Development**

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December 27, 2004

Mr. Randy Hatch, Director
Planning and Community Development
City of Ceres
2720 Second Street
Ceres, CA 95307

Dear Mr. Hatch:

RE: Review of the City of Ceres' Draft Housing Element

Thank you for submitting the City of Ceres' draft housing element received for review on October 28, 2004. As you know, the Department is required to review housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation on December 8, 2004 with Messrs. Derek DiManno, Larry Minitier, your consultants, Ms. Nancy Brown, Redevelopment Coordinator, and yourself, facilitated the review.

The Department appreciates the City's commitment to maximize land resources to meet its share of regional housing needs for this planning period. However, some revisions to the housing element will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element should include more detailed analyses of the land inventory and local governmental constraints. The enclosed Appendix describes the changes needed to comply with State housing element law. The Department is committed to assist the City in making needed revisions to comply with statutory requirements.

The Department is pleased to report, as a result of the approval of Proposition 46, a historic increase in funds available, on a competitive basis, through the Department to assist in addressing housing and community development needs. Information on these programs, including Notices of Funding Availability (NOFA), is posted on the Department's website. For program information and funding availability, please consult our homepage at www.hcd.ca.gov.

The Department hopes these comments are helpful to the City and appreciates your courtesy and assistance during the course of the review. Staff would be glad to meet in Ceres or Sacramento to provide additional assistance in revising the housing element to comply with State law. If you have any questions or would like to discuss any technical assistance needs, please contact Rita Levy, of our staff, at (916) 324-9629.

Mr. Randy Hatch, Director

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In accordance with their requests pursuant to the Public Records Act, we are forwarding a copy of this letter to the individuals listed below.

Sincerely,

A handwritten signature in black ink that reads "Cathy E. Creswell". The signature is written in a cursive, flowing style.

Cathy E. Creswell
Deputy Director

cc: Nancy Brown, Redevelopment Coordinator, City of Ceres
Derek DiManno, Consultant, Mintier and Associates
Mark Stivers, Senate Committee on Transportation & Housing
Suzanne Ambrose, Supervising Deputy Attorney General, AG's Office
Terry Roberts, Governor's Office of Planning and Research
Nick Cammarota, California Building Industry Association
Marcia Salkin, California Association of Realtors
Marc Brown, California Rural Legal Assistance Foundation
Rob Weiner, California Coalition for Rural Housing
John Douglas, AICP, Civic Solutions
Deanna Kitamura, Western Center on Law and Poverty
S. Lynn Martinez, Western Center on Law and Poverty
Alexander Abbe, Law Firm of Richards, Watson & Gershon
Michael G. Colantuono, Colantuono, Levin & Rozell, APC
Ilene J. Jacobs, California Rural Legal Assistance, Inc.
Richard Marcantonio, Public Advocates
Miguel B. Donoso, Hispanic Task Force
Eugene Smith, Tulare Co. Bldg. & Planning Department

APPENDIX

CITY OF CERES

The following changes would bring Ceres' housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change we cite the supporting section of the Government Code.

Housing element technical assistance information is available through your HCD representative or on the Department's website at www.hcd.ca.gov. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Elements section contains the Department's publication, Housing Element Questions and Answers (*Qs & As*) and the Government Code addressing State housing element law.

A. **Housing Needs, Resources and Constraints**

1. *Include the locality's share of regional housing need (Sections 65583(a)(1) and 65584).*

The element (pages 1-30 through 1-48 and Tables 1-26 through 1-38) must be revised to identify the appropriate approved share of regional housing need allocation (RHNA). By its letter August 20, 2003, the Department approved the final allocation for your region. The August 20, 2003 and the Department's November 22, 2002 letters describe why the alternative projections are inappropriate and inconsistent with the statute. As a result, the Department cannot certify a housing element as consistent with state law unless the element clearly utilizes the appropriate regional housing need allocation which for Ceres is: 622 very low, 480 low, 593 moderate and 1,130 above income moderate units for a total of 2,825 housing units.

2. *Include an inventory of land suitable for residential development, including sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)).*

The inventory should be expanded to address the following:

Realistic Capacity for Second Units – Second units are a valuable source of housing that can meet a variety of lower- and moderate-income housing needs. Local governments may count the *realistic* potential for new second-units *within the planning period of the element* considering the following factors: (1) the number of second units developed in the prior planning period; (2) an estimate of potential increase due to new policies, programs and incentives that encourage the development of second-units; and (3) other relevant factors such as affordability. The element should clarify the anticipated number and affordability for second units (page 1-42, 1-63 and 2-4 describe different estimates of capacity and affordability). For your assistance the Department's memo regarding AB 1866 legislation which amended housing element and second-unit law has been enclosed.

Infrastructure – Although on pages 1-49 to 1-50, the element provides a description of water and sewer service, and December 14, 2004 revisions, confirm the sites do not have and physical or infrastructure constraints, the element should also clearly identify whether there is total water and sewer capacity (i.e., planned and available) for sites identified to accommodate the City's share of the regional housing need.

Zoning Facilitating Development of Housing for Lower-Income Households – The City's remaining housing need to be met over this planning period is 1,051 units for lower income households. The element must demonstrate which zones are appropriate to encourage and facilitate multifamily development affordable to lower-income households. Specifically, the element should demonstrate how the R3 zone with MDR designation can encourage and facilitate multifamily development for lower-income households particularly since the MDR general plan designation for the zone provide for a maximum density of only 12 units per acre. The element should also discuss how the P-C zone, (given the absence of certain development standards) encourages and facilitates housing for lower-income households.

Suitability and Availability – The element (Table 1-31 on page 1-38) identifies several smaller sites (e.g., sites V-37 through V-41) and office and commercial designated sites to facilitate multifamily development. To utilize these sites to meet the adequate sites requirement (Section 65583(c)(1)), the element should demonstrate these sites are suitable to accommodate housing in the planning period.

For office and commercial designated sites, the analysis should specifically discuss the suitability of sites designated office and commercial for residential or mixed uses in the planning period, including historic or current development patterns, the feasibility of multifamily development on these sites, programs to encourage multifamily on these sites and any additional policies, objectives or requirements that will encourage development of multifamily housing on these sites.

For smaller sites, (e.g. sites at .41 or .17 of an acre) the element should analyze the realistic capacity of these sites to facilitate residential development including affordable multifamily development. This analysis could include any policies or programs, such as site assemblage that can assist the economic feasibility of multifamily development.

For Your Information - A local government is responsible for distributing a copy of the element to area water and sewer providers (Government Code Section 65589.7) upon completion of an amended or adopted housing element. This section of the law requires public and/or private water and wastewater providers give a priority to proposed housing development projects for lower-income households in their current and future resource or service allocations. Local public and/or private water and sewer providers must grant a priority for service hook-ups to developments that help meet the community's share of the regional need for lower-income housing.

3. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including building codes and their enforcement, site improvements, fees and other exactions required of developers and local processing and permit procedures (Section 65583(a)(4)).*

For additional assistance we have enclosed is a copy of the Department's Qs & As publication (pages 21-23) for guidance in analyzing governmental constraints.

Building Codes and their Enforcement – While the element describes the adopted 2001 California Building Code with no local amendments (page G-3), the element should also describe how code enforcement is conducted.

Site Improvements – While the element generally describes the type of improvements required it must identify and analyze actual standards for site improvements (e.g., minimum street widths of 35 feet) and analyze their impact.

Fees and Exactions – While the element lists fees, the element should also more thoroughly list relevant planning fees, such as general plan amendment, specific plan amendment, variances, annexations and development agreements.

Local Processing and Permit Procedures – The element briefly discusses processing times (page 1-65), the element should also describe the types of permits, any discretionary approval procedures, and decision-making standards required for all types of residential development, including single-family and multifamily. For example, the element should discuss the various procedures, whether ministerial or discretionary, for a multifamily development to be permitted in a multifamily zone. The element should describe the permitted uses and processing procedure for the P-C zone.

Persons with Disabilities – While the element states the City's group dwelling standards are defined as a dwelling unit with more than two families sharing a common kitchen, the element must include more detailed discussion of how these standards apply to unrelated adults and whether the standards comply with fair housing laws (page G-2).

4. *Analyze the special housing needs of farmworkers (Section 65583(a)(6)).*

The element should examine the variety of housing needs for permanent and seasonal farmworkers and discuss sites and zoning available to encourage and facilitate a variety of housing types addressing these needs. While the element discusses waiting lists and residents employed in agriculture, forestry, fishing and hunting, (page 1-23) the element should include a more detailed analysis of permanent and seasonal farmworker housing needs. Although the element states farmworkers are best accommodated in higher density zones near the edges of the city limits (page 1-63) and includes a program to allow temporary farmworker housing in the R-4 zone (page 2-21), the analysis or program doesn't demonstrate sites and zoning exists

sufficient to encourage and facilitate a variety of housing types for permanent and seasonal farmworker housing needs, such as consistency with Health and Safety Code Sections 17021.5 and 17021.6 or allowing single room occupancy. The element should include a more detailed analysis, closely examining the variety of housing needs and available sites and zoning and Program 3.4 should include additional commitments to provide adequate sites and assist in the development of housing for permanent and seasonal farmworkers consistent with Government Code Section 65583(c)(1). We will be sending regional farmworker housing information, which the City may find useful, under separate cover.

B. Housing Program

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing (Section 65583(c)(1)).*

As noted under finding A2, the element does not include a complete land inventory analysis and the adequacy of sites cannot be established. Based on the results of a complete land inventory analysis, the City may need to add programs to address a shortfall of sites. This program must identify sufficient sites with zoning permitting multifamily uses by-right. Further, as described under finding A1, the Department will utilize the appropriate regional housing need allocation meeting the statutory requirements of Section 65584 in determining whether the City has sufficient sites to accommodate its share of the regional housing need.

While the element discusses historical annexation trends (Table 1-32), if the City must rely on annexed sites to address the regional housing need, the element must include an annexation program with specific commitment about the amount of land to be annexed, the zoning, the anticipated number of units, identify sites permitting multifamily by-right and required timelines and milestones to complete the annexation process early within the planning period.

Lastly, Program 1.0 references the City's intention to allow for the construction of sufficient housing to meet its StanCOG regional housing need. The program should be revised to reference the legal and appropriate allocation for the City.

2. *Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, or provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities Section 65583(c)(3)).*

As noted in finding A3, the element requires more analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to add programs to address and remove or mitigate any identified constraints.

3. *The housing program shall conserve and improve the condition of the existing affordable housing stock (Section 65583(c)(4)).*

The element mentions the City's most recent housing conditions survey was conducted in 1990 (page 1-12). In order to target financial resources and best meet your community's current housing needs, Program 4.0 could include provisions to apply for a Community Development Block Grant Planning and Technical Assistance grant to update Ceres' housing conditions survey.

4. *The housing program shall promote equal housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin color, familial status or disability (Section 65583(c)(5)).*

The element must have a program to address fair housing complaints and broadly disseminate information about fair housing rights throughout the entire City. The Departments of Fair Employment and Housing (DFEH) and the Federal Department of Housing and Urban Development (HUD) have posters and information to assist your educational efforts. While the element includes Program 5.0 (Fair Housing Program) to make fair housing materials available on a website and a public counter, the program should include more specific actions to distribute and maintain fair housing materials at a variety of public locations to ensure dissemination throughout the entire City, such as library, post office, and shopping areas. This program should also commit to making fair housing materials available in more than one language appropriate to meet your community's needs. These actions will ensure equal opportunity and fair housing resource information is disseminated throughout the entire community (refer to the Department's *Qs & As* publication, page 42).